



**Raymore-Peculiar
R-II School District**

**Auditors' Report
June 30, 2018**

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Raymore-Peculiar R-II School District

Paragraph #1

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Raymore-Peculiar R-II School District as of June 30, 2018, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Expenditures</u>	<u>PROGRAM REVENUES</u>			<u>Net (Expenditures)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Position Governmental</u>
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 34,205,306	\$ -	\$ 5,719,910	\$ 81,944	\$ (28,403,452)
Student activities	2,238,899	1,392,882	-	-	(846,017)
Student services	2,345,521	-	30,952	-	(2,314,569)
Instruction staff support	4,441,080	-	-	-	(4,441,080)
Building administration	2,134,544	-	-	-	(2,134,544)
General administration & central services	2,824,887	-	-	-	(2,824,887)
Operation of plant	10,742,700	17,209	-	-	(10,725,491)
Transportation	4,770,059	-	871,798	-	(3,898,261)
Food service	2,696,325	1,594,494	1,058,136	-	(43,695)
Community services	1,338,766	1,056,986	70,236	-	(211,544)
Facility acquisition and construction	-	-	-	-	-
Debt service:					
Interest and fees	2,013,788	-	-	-	(2,013,788)
Total Governmental Activities	\$ 69,751,875	\$ 4,061,571	\$ 7,751,032	\$ 81,944	(57,857,328)

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 10,813,596	\$ -	\$ 6,994,236	\$ 52,278	\$ 17,860,110
FUND BALANCES					
Fund Balances:					
Restricted	\$ -	\$ -	\$ 6,994,236	\$ -	\$ 6,994,236
Committed	-	-	-	52,278	52,278
Assigned	761,886	-	-	-	761,886
Unassigned	10,051,710	-	-	-	10,051,710
Total fund balances	\$ 10,813,596	\$ -	\$ 6,994,236	\$ 52,278	\$ 17,860,110

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Debt service	\$ -	\$ -	\$ 6,994,236	\$ -
Committed:				
Capital outlay	-	-	-	52,278
Assigned:				
Student activities	685,682	-	-	-
Food service	76,204	-	-	-
Total Assigned	<u>761,886</u>	-	-	-
Unassigned	<u>10,051,710</u>	-	-	-
Total fund balances	<u>\$ 10,813,596</u>	<u>\$ -</u>	<u>\$ 6,994,236</u>	<u>\$ 52,278</u>

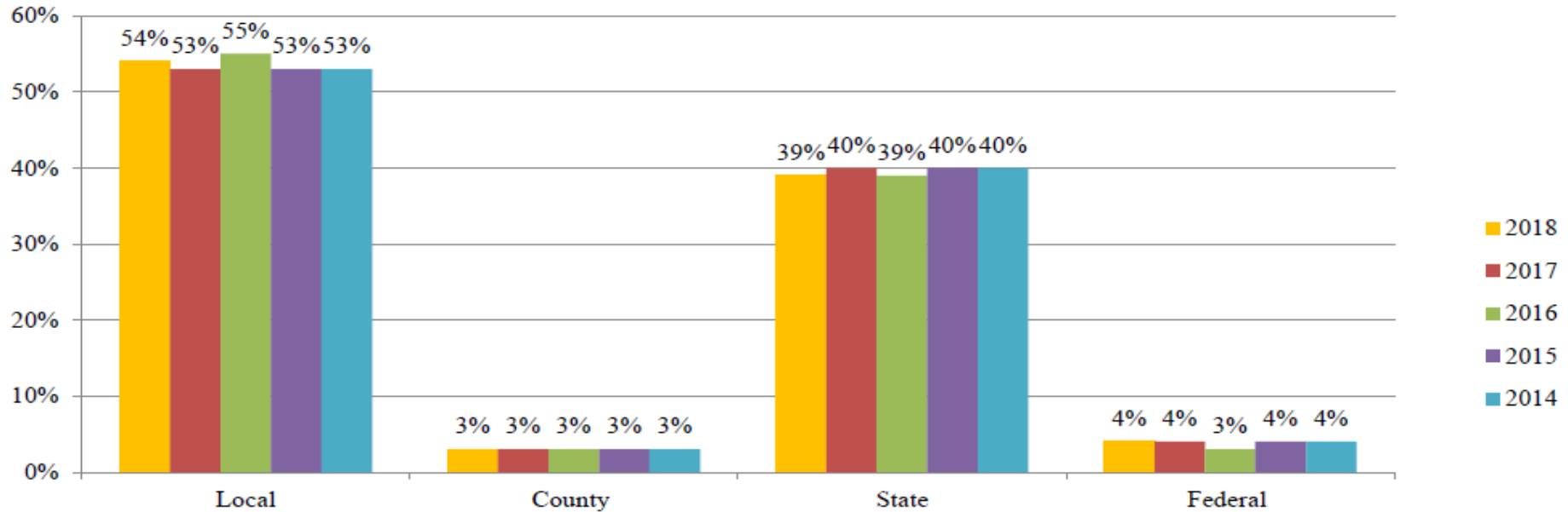
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 24,386,513	\$ 5,779,952	\$ 7,478,717	\$ 224,784	\$ 37,869,966
County	1,670,687	137,459	478,170	-	2,286,316
State	2,068,583	25,125,547	-	725,221	27,919,351
Federal	2,058,196	966,705	-	56,723	3,081,624
Other	14,322	-	-	153,287	167,609
Total Revenues	30,198,301	32,009,663	7,956,887	1,160,015	71,324,866
EXPENDITURES:					
Instruction	4,921,604	28,569,971	-	39,200	33,530,775
Student activities	1,596,611	642,288	-	-	2,238,899
Student services	962,278	1,383,243	-	-	2,345,521
Instruction staff support	2,932,051	1,509,029	-	-	4,441,080
Building administration	22,356	2,112,188	-	-	2,134,544
General administration & central services	2,141,051	683,836	-	-	2,824,887
Operation of plant	5,913,803	-	-	2,789,088	8,702,891
Transportation	4,770,059	-	-	-	4,770,059
Food service	2,696,325	-	-	-	2,696,325
Community services	1,114,877	223,889	-	-	1,338,766
Facility acquisition and construction	-	-	-	5,375,878	5,375,878
Debt service:					
Principal retirement	-	-	4,125,000	673,701	4,798,701
Interest and fees	-	-	1,690,818	322,970	2,013,788
Total Expenditures	27,071,015	35,124,444	5,815,818	9,200,837	77,212,114
Revenues Over (Under) Expenditures	3,127,286	(3,114,781)	2,141,069	(8,040,822)	(5,887,248)
Other Financing Sources (Uses):					
Transfers	(5,614,781)	3,114,781	-	2,500,000	-
Fund balance, beginning	13,301,091	-	4,853,167	5,593,100	23,747,358
Fund balance, ending	\$ 10,813,596	\$ -	\$ 6,994,236	\$ 52,278	\$ 17,860,110

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Amount Due Within One Year
Bonds Payable	\$ 56,065,000	\$ -	\$ 4,125,000	\$ 51,940,000	\$ 4,640,000
Lease Certificates of Participation	6,500,000	-	425,000	6,075,000	425,000
Capital Lease Obligations	248,700	129,444	248,700	129,444	63,109
Total	<u>\$ 62,813,700</u>	<u>\$ 129,444</u>	<u>\$ 4,798,700</u>	<u>\$ 58,144,444</u>	<u>\$ 5,128,109</u>

Year Ending June 30,	Principal	Interest	Total
2019	\$ 4,640,000	\$ 1,549,825	\$ 6,189,825
2020	4,730,000	1,388,650	6,118,650
2021	5,405,000	1,227,300	6,632,300
2022	5,615,000	1,047,200	6,662,200
2023	4,550,000	934,900	5,484,900
2024	3,075,000	707,400	3,782,400
2025	3,200,000	584,400	3,784,400
2026	3,260,000	520,400	3,780,400
2027	3,330,000	447,050	3,777,050
2028	3,400,000	380,450	3,780,450
2029	3,485,000	295,450	3,780,450
2030	3,575,000	203,969	3,778,969
2031	3,675,000	105,656	3,780,656
Total	<u>\$ 51,940,000</u>	<u>\$ 9,392,650</u>	<u>\$ 61,332,650</u>

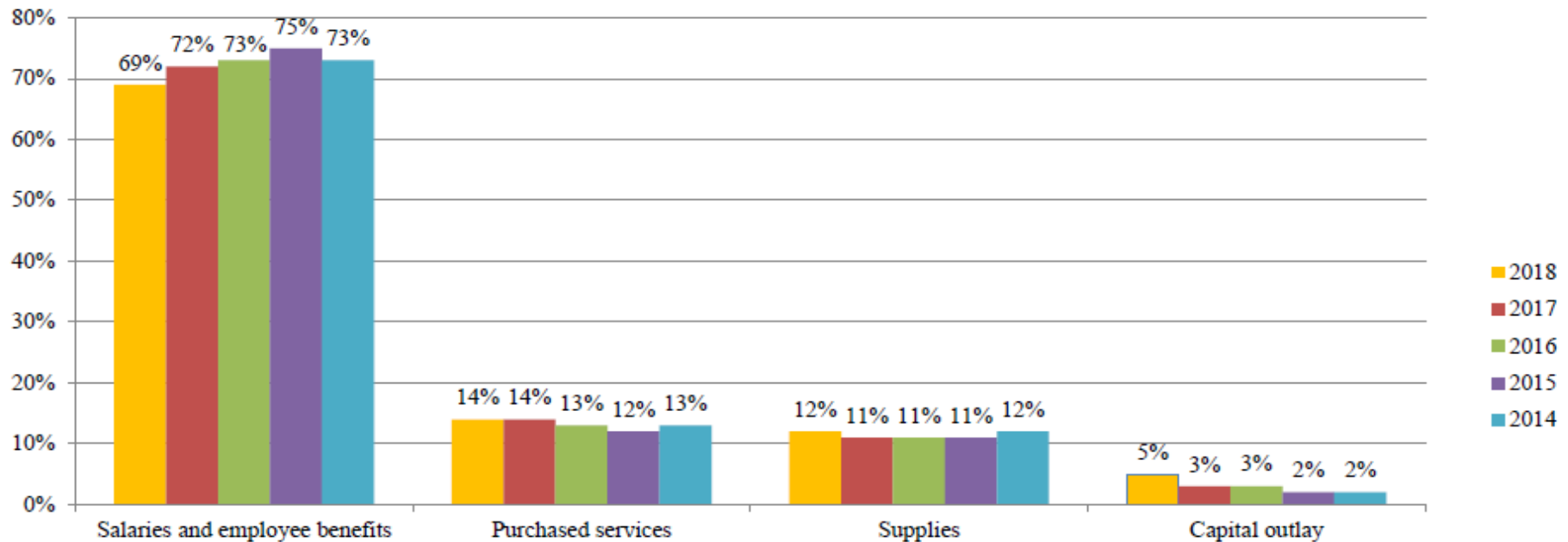
Year Ending June 30,	Principal	Interest	Total
2019	\$ 488,109	\$ 302,990	\$ 791,099
2020	516,335	283,559	799,894
2021	475,000	263,757	738,757
2022	485,000	241,623	726,623
2023	520,000	218,972	738,972
2024	535,000	194,798	729,798
2025	545,000	169,335	714,335
2026	585,000	143,347	728,347
2027	1,020,000	112,733	1,132,733
2028	330,000	63,652	393,652
2029	345,000	43,357	388,357
2030	360,000	22,140	382,140
Total	<u>\$ 6,204,444</u>	<u>\$ 2,060,263</u>	<u>\$ 8,264,707</u>

	2018	2017	2016	2015	2014
Local	\$ 37,869,966	\$ 35,680,607	\$ 36,854,041	\$ 33,224,588	\$ 32,405,715
County	2,286,316	2,347,132	2,355,752	1,902,720	1,712,476
State	27,919,351	27,210,013	26,527,915	25,656,204	24,337,044
Federal	3,081,624	2,452,780	2,165,634	2,614,077	2,398,736
Other	167,609	14,306	41,140	20,684	12,550
	<u>\$ 71,324,866</u>	<u>\$ 67,704,838</u>	<u>\$ 67,944,482</u>	<u>\$ 63,418,273</u>	<u>\$ 60,866,521</u>



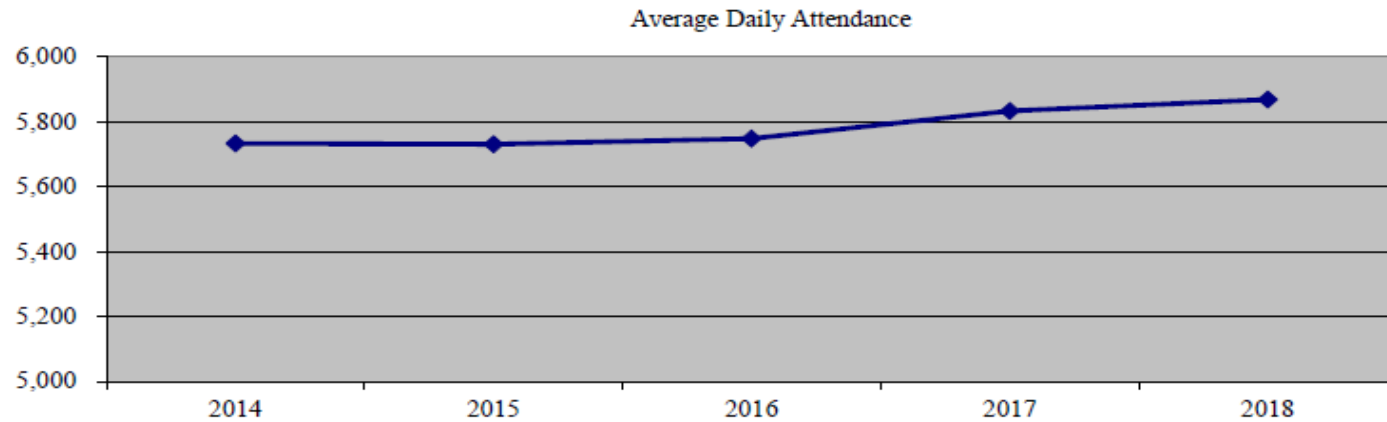
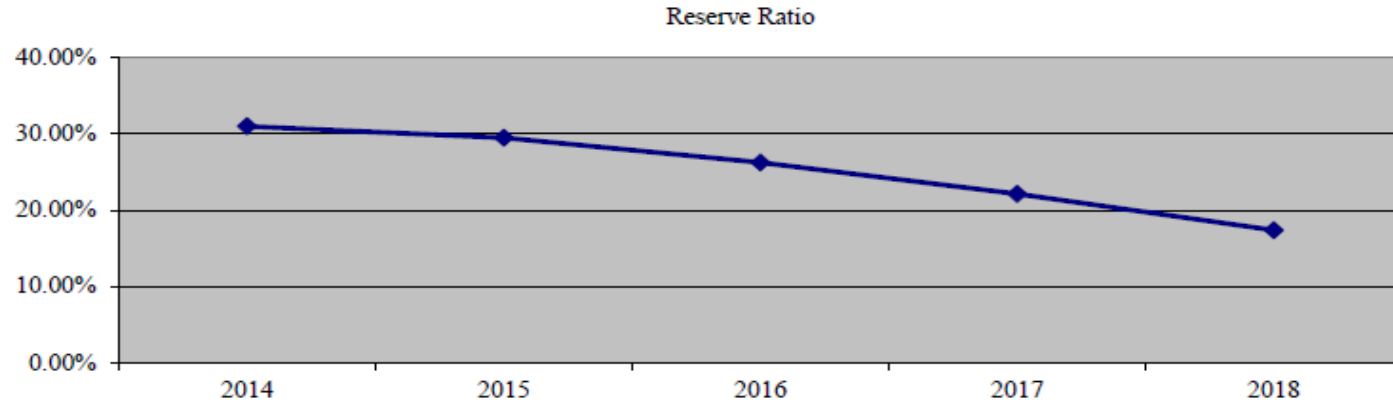
Note: The above graphs do not include proceeds from the sale of bonds.

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2018 TOTALS	2017 TOTALS	2016 TOTALS	2015 TOTALS	2014 TOTALS
Salaries	\$ 8,582,467	\$26,849,871	\$ -	\$ -	\$35,432,338	\$ 34,144,771	\$33,143,374	\$32,305,840	\$30,979,906
Employee benefits	2,599,981	7,397,743	-	-	9,997,724	10,406,162	10,033,632	9,545,677	8,325,194
Purchased services	7,928,256	876,830	-	-	8,805,086	8,664,532	7,858,735	6,919,168	6,919,406
Supplies	7,960,311	-	-	-	7,960,311	6,839,512	6,466,883	6,407,217	6,194,640
Capital outlay	-	-	-	8,204,166	8,204,166	22,339,226	2,030,279	829,228	769,898
Principal	-	-	4,125,000	673,701	4,798,701	14,394,570	25,748,909	5,879,507	5,384,120
Interest and other charges	-	-	1,690,818	322,970	2,013,788	2,259,391	2,543,970	2,226,313	2,233,385
	<u>\$27,071,015</u>	<u>\$35,124,444</u>	<u>\$ 5,815,818</u>	<u>\$ 9,200,837</u>	<u>\$77,212,114</u>	<u>\$99,048,164</u>	<u>\$87,825,782</u>	<u>\$64,112,950</u>	<u>\$60,806,549</u>



Note: The above graphs do not include expenditures for debt service or for capital improvements.

General and Special Revenue Funds	2014	2015	2016	2017	2018
Total Fund Balances	\$ 16,258,016	\$ 16,281,298	\$ 15,107,963	\$ 13,301,091	\$ 10,813,596
Total Expenditures	52,419,146	55,177,901	57,502,624	60,054,977	62,195,459
Reserve Ratio	31.02%	29.51%	26.27%	22.15%	17.39%
Average Daily Attendance	5,733.52	5,731.27	5,748.77	5,834.04	5,869.12



**REPORT ON THE ADMINISTRATION'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

Paragraph #3

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2018, are fairly stated in all material respects.

Paragraph #4

We noted an immaterial instance of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

Schedule of State Findings

TRANSPORTATION

During our audit, we noted the District split transportation costs with several other school districts for transporting homeless students but no ridership or mileage information was reported to the Department of Elementary and Secondary Education for transporting these students. The District is allowed to claim half of the ridership and mileage for transporting these students when sharing the costs to transport these students with other school districts. As a result of our audit, the Application for State Transportation Aid has been corrected to include these additional riders and miles.

BUDGET

Chapter 67, RSMo prohibits the expenditure of public monies unless those expenditures have been authorized. During our audit, we noted that actual expenditures from the Capital Project Fund exceeded budgeted amounts by \$8,981.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Paragraph #4

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

Paragraph #5, pg. 49

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2018.

Paragraph #3, pg. 50

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:
 Title I - Grants to Local Educational Agencies CFDA No. 84.010
 Special Education Cluster (IDEA) CFDA No. 84.027 and 84.173

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None

Report to Administration

To the Board of Education
Raymore-Peculiar R-II School District

In planning and performing our audit of the financial statements of Raymore-Peculiar R-II School District for the year ended June 30, 2018, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

During our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. (We previously reported on the District's internal control in our report dated September 24, 2018.) This letter does not affect our report dated September 24, 2018, on the financial statements of Raymore-Peculiar R-II School District.

These comments are not unusual in nature from what we see in other school districts. Our comments and recommendations, all of which have been discussed with appropriate members of administration, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. Our comments are summarized as follows:

Report to Administration

CALENDAR REQUIREMENT CHANGES - Recently, Missouri passed Senate Bill No. 743 which made changes to school district calendars. Starting in school year 2019-20 and subsequent years, the calendar requirement will no longer include a minimum requirement for the number of school days a school district must attend. Instead, the requirement will be that the school district provide a minimum of one thousand forty-four actual pupil attendance hours for the school term. In addition, the calendar shall include thirty-six make-up hours for possible loss of attendance due to inclement weather, with no minimum number of make-up days. The district shall be required to make up the first thirty-six hours of school lost or cancelled due to inclement weather and half the number of hours lost or cancelled in excess of thirty-six if the makeup of the hours is necessary to ensure that the district's students attend a minimum of one thousand forty-four hours for the school year.

Auditee's Response: We are aware of Senate Bill No 743 and will consider its impact in establishing our calendar for the 2019-2020 academic year.

Report to Administration

This report is intended solely for the information and use of the Board of Education and the administration and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co., P.C.

September 24, 2018